VZCZCXRO2358 OO RUEHCN RUEHGH DE RUEHIN #4008/01 3340930 ZNY CCCCC ZZH O 300930Z NOV 06 FM AIT TAIPEI TO RUEHC/SECSTATE WASHDC IMMEDIATE 3258 INFO RUEHBJ/AMEMBASSY BEIJING 6024 RUEHUL/AMEMBASSY SEOUL 8297 RUEHKO/AMEMBASSY TOKYO 8266 RUEHCN/AMCONSUL CHENGDU 1559 RUEHGZ/AMCONSUL GUANGZHOU 9779 RUEHHK/AMCONSUL HONG KONG 7250 RUEHGH/AMCONSUL SHANGHAI 0596 RUEHSH/AMCONSUL SHENYANG 5531 RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHINGTON DC RHHJJAA/JICPAC HONOLULU HI RUEKJCS/SECDEF WASHINGTON DC RHHMUNA/USPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 004008

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SUBJECT: KAOHSIUNG MAYORAL ELECTION: PERSONALITIES,

THEMES, AND PROSPECTS

REF: A. TAIPEI 3995

1B. TAIPEI 3960

<u>¶</u>C. TAIPEI 3889

1D. TAIPEI 3792

Classified By: AIT Director Stephen M. Young, Reason 1.4 (b/d)

11. (C) Summary: The Kaohsiung mayoral race between DPP candidate Chen Chu and KMT candidate Huang Chun-ying remains too close to call with just over a week remaining before the December 9 election. The DPP and KMT both view this election as critical to their future plans, the DPP to stop the slide caused by corruption scandals surrounding President Chen, and the KMT to bolster its prospects of returning to power in the 2008 presidential election. In the campaign's final days, heavyweights from both parties, including KMT Chairman Ma Ying-jeou, will campaign intensively in Kaohsiung, and there is always the possibility that last minute surprises could affect the election. Though tarnished by corruption charges, President Chen has reportedly been "dreaming of campaigning in Kaohsiung" and may participate in a large rally in the southern city this Saturday. End Summary.

Kaohsiung Race Too Close to Call

- ¶2. (C) With eight days left before the December 9 Kaohsiung mayoral election, the race between ruling Democratic Progressive Party (DPP) candidate Chen Chu and Kuomintang Party (KMT) candidate Huang Chun-ying continues too close to call. Virtually all polls show Huang ahead of Chen 8-15 percentage points, but with the gap narrowing in recent days. Several pollsters, moreover, have told AIT that the polls consistently underestimate the real support for the DPP in both Kaohsiung and Taipei, because Green supporters tend to be unwilling to reveal their voting preferences to the largely Blue-controlled media. In addition, on election day Green supporters traditionally tend to have higher turnout rates than Blue supporters. According to one pollster, actual support for Green candidates can in some cases be 15 percent or more above their rating in public opinion polls.
- 13. (C) Global Views Monthly polling director Tai Li-an, using his relatively sophisticated election prediction model, told AIT on November 28 that he is now projecting a virtual

dead heat between Chu and Huang, with Chu garnering 47-49 percent of the vote to Huang's 46-47 percent. Although sometimes viewed as a Green stronghold, Kaohsiung in fact breaks down approximately 40-30-30 between pan-Green, pan-Blue, and swing voters. Taiwan Solidarity Union (TSU) candidate Lo Chih-ming, though currently enjoying only 2-3 percent support, could be an important factor if the vote turns out very close. Lo is fighting off efforts by the DPP to lure his supporters to vote for Chen Chu.

The Betting Odds

14. (SBU) In early November, bookies in southern Taiwan called the election for Huang by 30,000 votes, reflecting the situation following the November 3 corruption indictment of First Lady Wu Shu-chen that also implicated President Chen. Reportedly, the odds subsequently shifted at one point to 50-50 following news that Taipei Mayor (and KMT Chairman) Ma Ying-jeou was under investigation for possible misuse of his special mayoral allowance. By the beginning of this week, the betting odds had dropped from Huang by 20,000 votes to Huang by 10,000 votes, reflecting widely held views that the race is becoming tighter.

Corruption Scandals Dominate

¶5. (SBU) The various corruption investigations involving the Kaohsiung Rapid Transit Corporation (KRTC) and President Chen and his family and advisors gave Huang an initial advantage. This advantage, however, has been reduced by the investigation of Ma Ying-jeou's special mayoral account launched in mid November. If Ma's troubles continue, they

TAIPEI 00004008 002 OF 003

could further damage Huang's electoral prospects. National Sun Yat-sen University Professor Xin Tsui-ling suggested to AIT/K that the two main Kaohsiung candidates have returned to their original starting point now that KMT and DPP leaders are both embroiled in investigations. Xin also noted that Kaohsiung has traditionally gone to the DPP but only by small margins.

Final Days Crucial

 $\underline{\ }$ 6. (C) Last minute developments, however, could give either party a slim victory. Local DPP leaders tell AIT their biggest challenge may be energizing the party's supporters to set aside their disappointment with President Chen and vote on December 9. In contrast to previous Kaohsiung elections, President Chen,s picture is nowhere to be seen on campaign billboards and so far he has not stumped for Chen Chu. President Chen has reportedly "dreamed about campaigning in Kaohsiung," and has been invited to participate in a large rally in the city on December 2. KMT Chairman Ma Ying-jeou, whose picture is on many billboards, has already made a number of appearances in Kaohsiung and will be heavily involved in the final push for Huang. For the KMT, Ma has special importance because he appeals to young voters and to women voters, groups in which Huang lags behind Chen Chu. Ma, who hopes to win the presidency in 2008, has also characterized the election as not just a local election but a referendum on support for him and opposition to President Chen. As the close race goes down to the wire, the incentives for city council members and others to engage in vote buying on both sides could prove an important factor in bringing out the vote and determining the result.

The Candidates

17. (SBU) KMT mayoral candidate Huang Chun-Ying, who served as Kaohsiung Deputy Mayor under KMT Mayor Wu Den-yih in the mid 1990s, enjoys a reputation for administrative ability, a

clean image, and academic achievement, but he is also viewed as being conservative and not dynamic. This will be the second mayoral race for Huang, who in 2002 lost by just 20,000 votes to popular incumbent Mayor Frank Hsieh. While out of office Huang has occupied a variety of academic posts. His campaign made some strategic blunders early on, such as releasing a campaign video with Huang sitting at home as his wife prepared a meal, which painted Huang as a male chauvinist in the eyes of some voters. Ma Ying-jeou's appearances with Huang, including one in which Ma and Huang cooked together, have in part aimed to mitigate that image, as Ma is popular with women voters and middle class families. On city issues, Huang has emphasized opening up direct links with the mainland as essential to raising Kaohsiung's competitiveness and lowering unemployment.

- (SBU) DPP candidate Chen Chu is a veteran social activist and participant in Taiwan's democracy movement. She was sentenced at the age of 19 to six years in jail for her role in the 1979 Kaohsiung incident, which foreshadowed the rise of multi-party democracy in Taiwan. She is charismatic and energetic and well known as a strong champion of human rights and Taiwan's women's movement. Chen served as the Taipei City Director of Social Affairs under then-Mayor Chen Shui-bian in the 1990's and later as Director of Social Affairs in Kaohsiung under Frank Hsieh. She was Chair of the Council of Labor Affairs from 2000 until September 2005, when she resigned to take responsibility for a riot by Thai laborers who were working for the Kaohsiung Rapid Transit Corporation (KRTC). The KRTC case, which has ensnared other Kaohsiung DPP heavyweights in corruption investigations, remains her biggest political liability. Chen Chu is a member of the reformist New Tide faction. Although handily defeating former Kaohsiung mayor Frank Hsieh's protege in the party primary, she encountered some difficulties uniting the DPP's local factions during the initial stages of her campaign.
- $\underline{\mathbf{1}} 9$. (SBU) TSU candidate Lo Chih-ming is Secretary General of TAIPEI 00004008 003 OF 003

the TSU and a member of the Legislative Yuan (LY). Related by marriage to one of Kaohsiung's prominent families, Lo quit the KMT in 2001 after failing on two previous occasions to obtain the KMT nomination to run for a seat in the LY. An active political commentator, Lo frequently appears on various political talk shows and enjoys some support from the deep Green voter base in Kaohsiung, however, his overall public opinion rating has hovered around 1-4 percent.

Comment

- 110. (C) The Kaohsiung mayoral race is viewed by many observers in Taiwan as not just a local election but a key test of party strength in the lead up to the 2008 presidential contest. The DPP hopes to reverse its sagging fortunes through a win in Kaohsiung, while the KMT sees Kaohsiung as a stepping stone in Ma Ying-jeou's quest to gain the presidency in 2008. Although many pollsters and odds makers are predicting a KMT win, this race looks like it is going down to the wire.
- $\P11$. (U) This cable is a joint product of AIT/K and AIT/T. YOUNG